

1 shows. We record our talk shows.

2 We have a little queue box that we -- the
3 announcer will listen to, so that he can queue up the
4 next song. Then, when we go to the production room,
5 we have the production room computer that's there. We
6 have a dual cassette deck recorder. We have a CD
7 player. We also have two CD players in the control
8 room, one CD player in the production room.

9 I also have the board that runs everything
10 in there. I don't know if I'm using the correct term.
11 I call it the board.

12 Then, in the office we have the usual
13 desks, tables. We have -- I have a stereo unit in the
14 news director's room that also has two dual cassette
15 recorders attached to that. I have a CD player there
16 also. In the back I also -- I have the fax. In the
17 back I also have the -- another stereo set, so that we
18 -- I can monitor the station from the back.

19 And then in the office -- oh, and I have
20 the one and a half computers, but I do have the unit
21 there -- one and a half computers, and I also have a
22 copier machine, and another radio in the office that
23 we also use to monitor the station.

24 Q And these assets you have described, they
25 are owned by Family Broadcasting?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N W
WASHINGTON, D C 20005-3701

1 A Yes, they are.

2 Q And owned outright?

3 A Yes, sir. . As a matter of fact, the
4 majority of the equipment that is operating the
5 station, those were initially purchased when my
6 parents purchased the station. They had to put new
7 equipment -- they were new back in 1990. But they
8 have held up.

9 Q In terms of the physical location, the
10 stations' studios and the transmitter sites are
11 basically in the same general area, aren't they?

12 A Yes, they are.

13 Q Is this property owned by Family
14 Broadcasting?

15 A It's owned by the Virgin Islands
16 government.

17 Q Is there a lease agreement that Family has
18 with the Virgin Islands government?

19 A Well, there is supposed to be a lease. I
20 made an appointment with the government
21 representative, because when I first got back to the
22 station -- because if I'm supposed to be in charge, I
23 need to know what we have to pay. And at the time, I
24 was told that they could not find the lease, which
25 isn't difficult to understand if you know our

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 government.

2 So I told them, "I'd like to operate in
3 good faith. Let's sit down and put a lease agreement
4 together, so that I will know what I'm responsible
5 for, what the government is responsible for, if
6 anything, or if it all falls on me." And for some
7 reason it never came through until this past November.

8 So now they told us that I would have to
9 pay, beginning this year, I think it comes to \$8,400
10 for the year. And they told me I can make -- when I
11 -- I have an appointment set up when I return in the
12 next two weeks to sit down, so that we can see how --
13 I have to sit with them and see whether they want me
14 to make monthly payments, which I would prefer to get
15 monthly payments, biannual, or whatever. But --

16 Q Have you made any such payments yet?

17 A I haven't made a payment yet, because I
18 have the appointment when I go back. I am supposed to
19 meet with them -- the Department of Property
20 Procurement in two weeks. I was trying to set the
21 appointment up for two weeks ago when I first went
22 back to the station, but there are some federal
23 investigators down there checking I guess. We've had
24 some excitement locally, so everything was put almost
25 on hold.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D C 20005-3701

(202) 234-4433

www.nealrgross.com

1 JUDGE SIPPEL: Federal investigation
2 involving the stations?

3 THE WITNESS: No. No, I'm sorry. The
4 government, our local government.

5 BY MR. SHOOK:

6 Q Does the government of the Virgin Islands
7 have any kind of radio program on WSTX AM and FM?

8 A Yes, they do. The police department has
9 been on since we've been there, since September 1990.
10 And also, the Department of Consumer and Licensing,
11 they have been on for approximately two, two and a
12 half years. The police department has been on the
13 longest.

14 The Department of Agriculture was
15 previously on, but they have not been on since I think
16 it was the year 2000.

17 Q Now, in terms of their being on, are we
18 talking about regularly-scheduled programming?

19 A Yes, once a week.

20 Q For about how long a period of time?

21 A Department -- police department is on for
22 one hour, and Licensing and Consumer Affairs for half
23 an hour.

24 Q Does the government pay for its time in
25 any way?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N.W
WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealgross.com

1 A No, that is not paid time.

2 Q Is that going to continue to be the case
3 even though your family may be under obligation to pay
4 rent to the government?

5 A Well, the agreement that my father
6 initially had with them, it was supposed to be a
7 tradeout. But since I came into the picture, and I
8 took over, I wanted to know definitely what the
9 situation was, because a lot of documents have come up
10 missing in our local government.

11 So there's no paper trail to show that
12 this was a trade agreement in exchange for the free
13 time, which when you calculate \$350 to \$450 per hour
14 over 14 years, it comes out to more than what they are
15 charging us in rent. But we said we will just do a
16 fair exchange, no problem.

17 But now the new person that is there has
18 decided that we have to pay, so now -- they just sent
19 me this letter, so I have the appointment to meet with
20 them in two weeks. And I look at it this way. If I
21 have to pay, then they have to pay.

22 Q So that's something you still have to
23 work --

24 A Because I can't -- yes, that's something
25 -- that's just something that we still have to work

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N W
WASHINGTON, D C 20005-3701

(202) 234-4433

www.nealrgross.com

1 out. The only government department that is on the
2 air, as far as advertisement -- and that is not an
3 hourly program, it's just spots -- is the VI Lottery.
4 And they pay for that, and those are just spots. They
5 have a package deal -- \$650 per month.

6 Q I think I asked you before whether or not
7 Family Broadcasting had any hazard insurance, and I
8 believe your answer was --

9 A No, they do not.

10 Q -- they did not. What kind of plan, if
11 any, is in place to address damage to the stations in
12 the event such occurs as a result of another
13 hurricane?

14 A Well, the only thing that we can do is
15 turn to FEMA. And we were promised some assistance by
16 FEMA with the last hurricane, but it never came
17 through. It was all verbal.

18 Q And what you're referring to there is when
19 Hurricane Lenny came through in '99?

20 A Hurricane Lenny, Hurricane Marilyn. I was
21 there with Hurricane Lenny. But from what I've been
22 able to understand from my father and some of the
23 other employees that were up there at the time, FEMA
24 was on the radio.

25 We gave them free air time, and then they

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N W
WASHINGTON, D.C. 20005-3701

1 also, like everyone else who was -- who received
2 damage, they told us to fill out the forms and submit
3 them, which, to the best of my knowledge, they were
4 done. But we have never gotten any assistance. We
5 were promised some assistance verbally, but we never
6 received it.

7 Q I think you had mentioned that the
8 stations have EAS equipment?

9 A Yes, they do.

10 Q And to your understanding, is it currently
11 in good operating order?

12 A Yes, it is.

13 Q Do you know what the stations' licenses
14 currently authorize in terms of location and effective
15 radiated power and tower height?

16 A I know that for the AM tower -- well, the
17 location is Fort Louise Augusta. And the -- I think
18 two years ago we put in for a tower height of 190
19 feet. I could be wrong. And as far as the AM -- I
20 mean, the FM is concerned, I did receive a
21 construction permit for both stations that would
22 permit me to move the FM to a location at Recovery --
23 Recovery Mountain.

24 However, over -- we have never occupied
25 that site yet, because that's another -- we've gotten

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS

1323 RHODE ISLAND AVE, N W

WASHINGTON, D C 20005-3701

(202) 234-4433

www.nealrgross.com

1 letters from the FAA objecting to us moving there.
2 They have a tower up there also. And there are also
3 some -- the police department has towers up there on
4 Recovery Hill, and there are also some other groups
5 that have antennas up there that are illegal. So the
6 government is trying to clean all of that out.

7 So I am still waiting until all of that is
8 straight, and then I'm going on -- to Recovery Hill.

9 Q Okay. So you have a -- you have a permit
10 to construct a 190-foot tower --

11 A For the AM.

12 Q -- for the AM station.

13 A Yes, sir.

14 Q And have you started to construct that
15 tower yet?

16 A No, I have not.

17 Q And so I understand, with respect to the
18 FM station, you have a permit to locate your antenna
19 and transmitter at Recovery Hill, but you have not yet
20 done that because there are still some other problems
21 that have to be worked out.

22 A Yes, sir. Plus, to be perfectly honest,
23 you know, I have been waiting to see exactly how
24 everything would go as far as, you know, us getting
25 everything -- I'm trying to get everything in

1 compliance step by step.

2 And provided that we have the special
3 temporary authorization for the long wire antenna, my
4 understanding is that we can keep reapplying for that
5 -- that there is no time limit on it.

6 Q Right. As far as that goes, I couldn't
7 tell you how the Media Bureau does or does not work
8 its magic.

9 A Well, that was my understanding, because
10 I inquired and that was my understanding. So I said,
11 "Well, let me deal with these things first, and then
12 get to that."

13 MR. SHOOK: All right. Your Honor, I'd
14 like to take five minutes to consult with my co-
15 counsel. I think we're getting pretty close to the
16 end.

17 JUDGE SIPPEL: Fine. Are you prepared to
18 go forward until we finish? It looks like we're close
19 to the end.

20 THE WITNESS: Yes, sir.

21 JUDGE SIPPEL: All right. Let's take a
22 five-minute recess. Let's go off the record.

23 (Whereupon, the proceedings in the
24 foregoing matter went off the record at
25 12:38 p.m. and went back on the record at

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N W
WASHINGTON, D C 20005-3701

1 12:47 p.m.)

2 JUDGE SIPPEL: Let's go back on the
3 record.

4 Okay. Mr. Shook?

5 MR. SHOOK: Your Honor, the Bureau has no
6 further questions.

7 JUDGE SIPPEL: Mr. Huber?

8 MR. HUBER: Nothing, Your Honor.

9 JUDGE SIPPEL: I just have one question.
10 If you could -- I think your answer was a little bit
11 -- at least I didn't quite get your answer. What --
12 let's say over the past year, aside from the fact of
13 -- aside from the times when you were away for your
14 health reasons, or business, or what-not, but in terms
15 of a general timeframe or -- how much time -- how many
16 hours a week did you spend at the station?

17 THE WITNESS: A week?

18 JUDGE SIPPEL: A week, yes. It's a seven-
19 day week, right?

20 THE WITNESS: It's approximately -- yes.
21 And I have been up there seven days. Approximately,
22 the minimum I have been over the past year is maybe
23 six hours during the day. But then, if I am -- if I
24 leave the station early for whatever reason, to be
25 with one of the children, I always go back up in the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N W
WASHINGTON, D C 20005-3701

1 evenings.

2 JUDGE SIPPEL: Well, all right.

3 THE WITNESS: And I'm there maybe -- so
4 it's approximate -- it ranges anywhere from, I would
5 venture to say, six hours -- six to maybe 10 -- 10
6 hours per day.

7 JUDGE SIPPEL: Seven days a week.

8 THE WITNESS: Seven days a week. Except
9 that I will -- up until approximately September it was
10 seven days per week, but now like every other Sunday.

11 JUDGE SIPPEL: All right. And at times
12 that you're not there -- I mean, unless you're away on
13 a --

14 THE WITNESS: I'm working.

15 JUDGE SIPPEL: The times that you're not
16 there, who is up there, Mr. Clarke?

17 THE WITNESS: Mr. Clarke.

18 JUDGE SIPPEL: And what is his --

19 THE WITNESS: Well, Mr. Clarke is there
20 during normal business hours, which is --

21 JUDGE SIPPEL: But he's covering. If
22 you're not there, he's covering.

23 THE WITNESS: If I'm not there during the
24 day, he covers.

25 JUDGE SIPPEL: But he's there all the time

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N W
WASHINGTON, D C 20005-3701

1 anyway. I mean, he's a full-time employee, correct?

2 THE WITNESS: Yes.

3 JUDGE SIPPEL: And what is his --

4 THE WITNESS: He is only one of two.

5 JUDGE SIPPEL: What is his position?

6 THE WITNESS: He's the Program Director
7 and also Production Manager.

8 JUDGE SIPPEL: And you are the General
9 Manager, is that right?

10 THE WITNESS: Yes, sir.

11 JUDGE SIPPEL: So -- all right. That
12 clears it up for me enough. Anything more?

13 MR. SHOOK: No, Your Honor. I mean, I
14 don't have any further with respect to the witness.
15 I just have a matter that I would like to introduce
16 into the record -- an official notice exhibit relative
17 to the STA situation.

18 JUDGE SIPPEL: All right. Well, let's --

19 MR. SHOOK: I mean, I have some questions
20 about it, but --

21 JUDGE SIPPEL: Do you want to leave the
22 witness on the stand while we do that?

23 MR. SHOOK: Oh, no, no. I mean, I had
24 already asked the witness about the STA situation.
25 It's just that in order to close the gaps that exist

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N.W.
WASHINGTON, D C 20005-3701

(202) 234-4433

www.nealrgross.com

1 with respect to that situation, I'd like to, you know,
2 have an official notice exhibit prepared. I didn't do
3 that beforehand.

4 JUDGE SIPPEL: Well, can I excuse the
5 witness, then?

6 MR. SHOOK: Certainly.

7 JUDGE SIPPEL: You're excused.

8 THE WITNESS: Okay. Thank you.

9 JUDGE SIPPEL: You may take your seat back
10 with counsel. Thank you, Ms. Petersen-James. All
11 right.

12 (Whereupon, the witness was excused.)

13 MR. SHOOK: But that's the only other
14 material that I'd like to introduce.

15 JUDGE SIPPEL: Do you want to move it in
16 now? Do you want to do that now or --

17 MR. SHOOK: Well, I'm not sure -- I mean,
18 Mr. Huber wouldn't necessarily know -- I mean, he has
19 heard me talk about it, and I'm sure he has some idea
20 of what I'm referring to. But I think in fairness to
21 him, unless he has actually had a chance to see it, it
22 might -- I mean, certainly I'll -- I'll ask, but I
23 recognize he hasn't had a chance to see it yet.

24 JUDGE SIPPEL: All right. Well, how were
25 you planning on proceeding?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N.W.
WASHINGTON, D C 20005-3701

1 MR. SHOOK: Well, there would be the
2 letter, the STAs that had been issued by the Media
3 Bureau. Those STAs have expiration dates on them.
4 And then there are the Commission records that could
5 be generated from the CDBS system, which would reflect
6 what applications are pending, when they have been
7 granted, and it's -- the last records that I have seen
8 reflect that there have been no STA applications
9 submitted on behalf of Family since the ones that
10 expired last May.

11 JUDGE SIPPEL: All right. So do you have
12 a document that you are interested in introducing, or
13 what is the --

14 MR. SHOOK: I have some documents here,
15 but I have to photocopy them, have them reduced to
16 exhibit form. I hadn't done that, Your Honor.

17 JUDGE SIPPEL: All right. Well --

18 MR. HUBER: And this is the first time
19 that I'm aware of this.

20 JUDGE SIPPEL: Well, how did you -- let's
21 go off the record for just a minute.

22 (Whereupon, the proceedings in the
23 foregoing matter went off the record at
24 12:51 p.m. and went back on the record at
25 1:02 p.m.)

1 JUDGE SIPPEL: We're back on the record.

2 All right. Let the record reflect that
3 after a discussion - it's been -- it has been my
4 determination that I am going to stay further
5 proceedings in this case until the 30th of April 2004.
6 And on or before the 30th of April 2004, counsel for
7 Family Broadcasting will file a status report with me,
8 a copy, of course, to Mr. Shook advising as to what
9 the status is of the assignment application that's
10 before the Commission.

11 And I will thereafter, if necessary -- if
12 appropriate, I will thereafter set the dates for
13 proposed -- submission of proposed findings of fact
14 and conclusions of law. This will not be -- let me be
15 firm here, too, that this will not delay proposed
16 findings beyond May 30, May 31st, before -- in other
17 words, the close of May there is going to be proposed
18 findings filed unless this case is otherwise in a
19 position to be disposed of at the Commission level.

20 Okay. Do we understand each other now?
21 Understood?

22 MR. HUBER: Yes, Your Honor.

23 MR. SHOOK: Yes, sir.

24 JUDGE SIPPEL: Okay. Then that being
25 determined, I will get a written order on that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealrgross.com

1 shortly. This -- the record of this -- this hearing
2 record will be closed today, and subject, of course,
3 to remaining open for purposes of proposed findings
4 and -- or any -- any related relief. But as far as
5 the evidence aspect of this case is concerned, the
6 record is closed.

7 MR. SHOOK: Your Honor, would --

8 JUDGE SIPPEL: With one exception. Yes,
9 I'm sorry. Go ahead, Mr. Shook. You make the
10 representation.

11 MR. SHOOK: Right. With respect to the
12 status of the STAs for WSTX AM and FM, the Bureau
13 intends to prepare an official notice exhibit which
14 would set forth what the expiration dates for the most
15 recent STAs were, and what the Commission's records
16 reflect in terms of whether or not there is -- there
17 are any STAs extant for the two stations. And the
18 Bureau intends to submit that by written motion, and
19 would do so within a week.

20 JUDGE SIPPEL: That's fair.

21 Mr. Huber? No objection to that?

22 MR. HUBER: No objection.

23 JUDGE SIPPEL: Very well. Then, subject
24 to what --

25 MR. HUBER: You're going to submit that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N W
WASHINGTON, D C 20005-3701

1 within a week? You're going to submit that within a
2 week, you said?

3 MR. SHOOK: - Yes.

4 MR. HUBER: Okay

5 MR. SHOOK: Right. A written motion to
6 the Judge with a copy to you.

7 MR. HUBER: Right.

8 JUDGE SIPPEL: Yes, you'll have a chance
9 -- I will wait until you -- until we contact your
10 office. Make sure you're okay with it before you sign
11 off --

12 MR. HUBER: Okay.

13 JUDGE SIPPEL: -- on it. Go ahead. Do
14 you have something more?

15 MR. HUBER: Yes. The last thing I -- in
16 our earlier discussion prior you had indicated that
17 you would be willing to be lenient with respect to the
18 timeframe for filing these proposed findings.

19 JUDGE SIPPEL: I am.

20 MR. HUBER: Okay. And --

21 JUDGE SIPPEL: I just did that.

22 MR. HUBER: All right.

23 JUDGE SIPPEL: That was leniency.

24 MR. HUBER: Okay. I'll leave it at that.

25 JUDGE SIPPEL: All right. And I -- let me

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE, N W
WASHINGTON, D C 20005-3701

1 just say that -- one last comment, that Mr. Shook is
2 absolutely right. I have had an opportunity to confer
3 with my -- my copy of the Act. And Section -- this is
4 really basically a Section 309 proceeding on the
5 assignment issue, and the burdens of proof have been
6 appropriately assigned.

7 That's it. We are, then, in recess until
8 a further call. Thank you very much.

9 Off the record.

10 (Whereupon, at 1:06 p.m., the proceedings
11 in the foregoing matter were adjourned.)
12
13
14
15
16
17
18
19
20
21
22
23
24
25

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1323 RHODE ISLAND AVE., N.W.
WASHINGTON, D.C. 20005-3701

(202) 234-4433

www.nealgross.com

FAMILY BROADCASTING, INC.

EB DOCKET NO. 01-39

445 12th STREET, S.W., WASHINGTON, D.C.

MARCH 16, 2004

complete transcript prepared by [redacted] (Reporter's Name) in attendance at the above identified hearing, in accordance with applicable provisions of the current Federal Communications Commission's professional verbatim reporting and transcription statement of Work and have verified the accuracy of the accuracy of the transcript by (1) comparing the typewritten transcript against the reporting or recording accomplished at the hearings and (2) comparing the final proofed typewritten transcript against the reporting or recording accomplished at the hearing or conference.

Date	Legible Name and Signature of Proofreader
	Name of Company: Neal Gross Co.